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1) N. Korea ordered observers out

YOMIURI (Page 1) (Full)
April 15, 2009

Takeo Miyazaki, Washington

A group of International Atomic Energy Agency (IAEA) and U.S. observers overseeing the work of halting and disabling nuclear facilities at Yongbyon, North Korea have been ordered by North Korean authorities to leave there, a U.S. government official revealed April 14. The nuclear-related facilities at Yongbyon include a 5,000-kilowatt graphite-moderated nuclear reactor and a reprocessing facility extracting plutonium. North Korea is expected to take off the seals attached to the facilities, remove the monitoring cameras, and reinstall equipment and the like.

IAEA personnel and other foreign officials have stayed at Yongbyon

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since 2007 to observe the work of disabling the facilities there.

In the fall of 2008, North Korea moved to restore the nuclear facilities. At that time, however, the North did not order the observers.

The North Korean foreign ministry yesterday blamed the United Nations Security Council presidential statement on North Korea's recent missile launch and announced its intention to break away from the six-party talks over its nuclear issue. Pyongyang had indicated that the North would resume reprocessing spent nuclear fuel rods at the Yongbyon facilities.

2) U.S. list of asset freezes as sanction against North Korea includes 11 military-related companies

YOMIURI (Top Play) (Excerpts)
April 15, 2009

The UN Security Council (UNSC) adopted a presidential statement condemning North Korea's recent missile launch and calling on the North to comply with a previous resolution. Following this development, the U.S. revealed on April 14 its list of asset freezes of North Korean companies. It plans to submit the list to a UN sanction committee shortly. The list includes 11 trading houses and financial institutions engaged in dealings linked to ballistic missiles. The committee will designate companies subject to the sanction by the 24th and urge the UN members to thoroughly carry out the sanction measure.

The UNSC adopted Resolution 1718 in reaction to North Korea's nuclear testing in 2006. This resolution demanded that the assets of companies dealing in goods in connection with North Korea's suspected nuclear weapons and missile development programs be frozen but designated no specific targets. The presidential statement, adopted on the 13th, notes that a list of companies subject to the sanction will be prepared by the end of this month. The members of the UNSC will hold a discussion at the sanction committee, based on the lists of Japan, the U.S. and other member countries.

Korean Mining Development Trading Corp. is on the top of the U.S. list, according to its copy obtained by the Yomiuri Shimbun. It is noted that the company, as North Korea's main trader of weapons, has played the chief role of exporting goods and equipment related to

ballistic missiles and has promoted selling weapons through offices in several companies. Korea Yonbong General Corp. is also included in the list. It is explained that the company is exclusively engaged in procuring military goods and supporting the sale of materials linked to military affairs.

Tanchon Commercial Bank is the sole financial institution that is included in the list. The bank takes on the responsibility of settling accounts of transactions in ballistic missiles and conventional weapons. Its predecessor reportedly earned profits from selling weapons to the Middle East and Africa. The U.S. points out that the profits on sale have financed North Korea's nuclear development and purchases.

The list also includes eight subsidiaries of Korean Mining Development Trading Corp. and Korea Yonbong General Corp.

3) North Korea to boycott six-party talks; Japan troubled by the

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North's brinkmanship; Limits to Japan's unilateral response

SANKEI (Page 3) (Excerpts)

April 15, 2009

Hiroshi Sakai

In reaction to the UN Security Council's issuance of a presidential statement, North Korea has announced that it would stop attending the six-party talks on that country's nuclear issue and resume the reprocessing of spent nuclear fuel. But the government strongly believes that this is an act of brinkmanship to elicit compromises from the international community. In the days ahead, Japan intends to strengthen cooperation among the other five countries, excluding the North, to increase international pressure on the DPRK. But convincing other members will not be easy and it is impossible for Japan alone to prevent North Korea from further reckless actions. Japan is now faced with a severe reality.

Prime Minister Taro Aso told the press corps at his official residence last night: "The UNSC presidential statement is the international community's answer. It is most important for North Korea to lend its ear to international opinion." The prime minister avoided severe criticism because he has judged that playing into the hands of the North's provocation would not be advisable. Chief Cabinet Secretary Takeo Kawamura, too, said in a press briefing: "We would like to strongly urge North Korea to return to the six-party talks and enforce UN Resolution 1718."

A senior government official noted coldly: "This is North Korea's modus operandi. A grace period is necessary. We must not delve too deeply into this." Another government official said calmly: "If China halts its aid, North Korea will be in trouble. I wonder how long it can keep saying that it will not attend the six-party talks."

Nevertheless, North Korea has always been able to elicit concessions from the international community with its brinkmanship. In its early days, the Bush administration criticized the North by calling it an "axis of evil" and set force a strong stance to make the country abandon its nuclear programs. But the administration later shifted to a dialogue policy course. The North launched missiles in July 2006 and conducted a nuclear test in October that year. In reaction, the UNSC adopted resolutions 1695 and 1718, respectively. But no major country except for Japan has taken effective sanctions measures against the DPRK.

4) Aso ready to meet with Chinese president, discuss issues over North Korea, including withdrawal from six-party talks

NIKKEI (Page 2) (Full)

April 15, 2009

Prime Minister Taro Aso has decided to discuss with Chinese President Hu Jintao and other Chinese government officials, when he visits China on April 29-30, on how to respond to North Korea, which

has announced its intention of withdrawing from the six-party talks. He is expecting to solicit measures, through talks with the Chinese government officials, to bring North Korea back to the six-party talks, as well as to break the impasse in negotiations on the North Korean nuclear, missile, and abduction issues in a package.

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Aso told reporters yesterday: "The UN Security Council presidential statement reflects the opinion of the international community. It is most important for North Korea to sincerely listen to such a view." He also expressed his hopes for China's approach to Pyongyang, remarking: "I think that they [China] will work on [the North], even if we do not make a request to do so." Chief Cabinet Secretary Takeo Kawamura also said during a press briefing yesterday: "China must make full use of its authority as the nation hosting the six-party talks."

5) Questions remain about unity among Japan, U.S., and South Korea; North Korea may reinforce its hard-line stance

ASAHI (Page 9) (Excerpts)
April 15, 2009

Aihiro Makino, Seoul

The North Korean Foreign Ministry has released a statement expressing its determination to boycott the six-party talks, but Japan, the United States and South Korea are remaining calm on the surface. The reason is because they had obtained China and Russia's support in the recent UN talks on reaction to the North's missile launch. They also believe the North, due to its economic plight, has its back against the wall. Still, there are no signs that Pyongyang will soften its hard-line stance, and unity among Japan, the United States, and South Korea is not solid. There is a possibility that the North will again launch another missile and conduct a nuclear test.

In the Foreign Ministry's statement, Pyongyang declared that it would discontinue the disablement of its nuclear facility and would return it to the original state. But of the 8,000 fuel rods attached to the nuclear reactor, some 6,700 have been removed. The cooling tower was also destroyed in June 2008. Given the situation, the South Korean government thinks that returning the facility to its original state would take at least several months.

The South Korean Unification Ministry projects North Korea will have a shortage of 1.17 million tons of grain this year. Some government sources think the United Nations will reinforce its sanctions on the North and that will make the country's trade with China, its traditional ally, difficult.

But there have been no signs of the North lowering its fist. According to the South Korean government, the North has yet to express its wishes via diplomatic channels. "The North has learned from its experiences that Japan, the United States and South Korea make concessions if it applies pressure on them," Ewha Women's University Professor Cho said.

There is a residue of doubt about the solidarity and role-sharing of the three countries, as well. In UN Security Council talks, the three countries initially sought a new resolution, but the United States probed for a way to issue a presidential statement, as well. This led Japan and South Korea to suspect that the United States might have been using two separate approaches in dealing with Tokyo and Seoul, who both remained tough toward the North, and toward Beijing and Moscow, who were conciliatory toward Pyongyang. Whether Japan and South Korea will support the United States' plan to launch an early dialogue with the North remains unclear.

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The North's statement said that it would reinforce its nuclear deterrence on every front. A South Korean national defense institute

fellow noted: "If (direct dialogue with the United States) is not realized, the North might conduct another nuclear test and a missile launch. The situation resembles the year 2006 when the North conducted missile launches and a nuclear test."

6) LDP members object to Japan unilaterally imposing additional sanctions on North Korea

NIKKEI (Page 2) (Full)
April 15, 2009

Many Liberal Democratic Party (LDP) lawmakers yesterday voiced objections to the option of Japan unilaterally imposing additional sanctions on North Korea. For instance, General Council Chairman Taksashi Sasagawa called "meaningless" the option of lowering the cap on the amount of cash travelers to North Korea are allowed to carry without notification from 1 million yen to 300,000 yen. In the General Council meeting, one member said, "The effectiveness of such an approach is questionable," while another said: "The government should come up with more solid ideas." About the UN Security Council presidential statement that condemned North Korea's missile launching, House of Councillors member Ichita Yamamoto said in the meeting: "The Security Council should have adopted a resolution. [The presidential statement] is not a diplomatic victory."

7) Government wary about U.S. future moves

YOMIURI (Page 3) (Full)
April 15, 2009

The Japanese government has cool-headedly taken a statement issued by North Korea saying that it "will never take part" in the six-party talks. A Foreign Ministry source commented: "The response is what we had anticipated. We are not surprised at it."

Speaking before reporters at the Prime Minister's Office yesterday, Prime Minister Aso criticized North Korea's stubborn attitude, saying:

"The UN issued a presidential statement. I think the statement reflects the international community's opinion, so it is most essential for North Korea to take the stance of sincerely listening to it."

Placing importance on collaboration among Japan, the U.S. and South Korea, as well as cooperation with China, the chair of the six-party talks, the government intends to continue applying pressure on North Korea. Aso will visit China on April 29 and 30 to discuss North Korean and other issues with President Hu Jintao, Premier Wen Jiabao and other ranking government officials. They are expected to exchange views with an eye on a resumption of the six-party talks, which have been stalled since last December.

Foreign Ministry officials will also discuss a response to the North with U.S. government officials, including Special Representative for North Korea Policy Stephen Bosworth. The Japanese government takes the view that North Korea is hoping for talks with the U.S. If U.S.-North Korea talks are to take place, the Japanese government intends to ask the U.S. government to boost its cooperation with Japan and South Korea.

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Even so, it is hard to figure out what policy the Obama administration has taken toward North Korea. Some officials of the government and the ruling coalition have expressed a sense of wariness about U.S. moves, one senior Liberal Democratic Party member remarking: "If its stance is conciliatory, Japan must speak harshly [to the U.S.]; otherwise, [North Korea] will listen to what the country that speaks out louder." In Japan, many are calling on the government to take a tougher stance toward North Korea, as shown by LDP Upper House Secretary General Shuzen Tanigawa's remark: "I hope diplomatic authorities will show a stronger attitude." Under such a situation, the government remains unable to make any compromise in the future.

8) How will Japan respond to retaliation?

SANKEI (Page 2) (Full)

April 15, 2009

This March, the government sent out Maritime Self-Defense Force destroyers for maritime security operations in waters off Somalia under the Self-Defense Forces Law. The dispatched MSDF destroyers have now been engaged in the task of escorting Japanese ships there since late March. However, the MSDF is allowed to fire on pirates for legitimate self-defense or emergency evacuation only. If pirates ignore a warning shot, the MSDF will have no means of removing them.

The government-introduced antipiracy bill therefore allows the MSDF to fire on pirate ships for the purpose of halting their ships, even though they do not fire, if they do not stop their act of piracy in spite of a warning shot. In addition, the bill also stipulates that the MSDF will escort foreign ships, as well.

The leading opposition Democratic Party of Japan (Minshuto) insisted in a plenary sitting of the House of Representatives that the Japan Coast Guard should deal with pirates, saying: "Driving the pirates away with battleships will not lead to the eradication of pirates, so naval police should crack down on the pirates." The DPJ then proposed sending out the Shikishima, a JCG patrol ship with a battleship structure, and dispatching MSDF vessels as JCG vessels.

The DPJ yesterday held a meeting of its foreign affairs and defense division on its antipiracy counterproposal. In the meeting, the DPJ worked out an outline of revisions to the government bill. In concrete terms, the DPJ proposes establishing an "antipiracy headquarters" when sending out the Self-Defense Forces. At the same time, the DPJ also proposes transferring SDF members to the antipiracy headquarters.

However, various foreign countries have been deploying naval vessels to Somalia waters and conducting military operations in order to rescue hostages. A number of pirates have been shot to death, so the pirates have now declared their retaliation. In such an intensifying situation, it is even more difficult for the JCG's policing activities to deal with the pirates. "Other countries are taking considerably strong actions," MSDF Chief of Staff Keiji Akahoshi said in a press conference yesterday, adding: "When it comes to what our country should do, we will have to make a judgment after seeing how things are going for a while."

The DPJ's counterproposal requires the government to ask for Diet

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approval before sending out the SDF for antipiracy missions. This is also a point at issue in Diet debate on the bill. Prime Minister Aso, in his Diet reply yesterday, noted that the government can fulfill its accountability to the Diet (with its parliamentary report prescribed in the antipiracy bill).

The government and ruling parties, bearing the Diet schedule in mind, will respond flexibly to talks with the DPJ over its proposal of revisions to the antipiracy bill. The government wants the legislation to clear the House of Representatives by April 27 when the government plans to present the Diet with a supplementary budget for fiscal 2009. The ruling and opposition parties have already begun working-level talks about revisions behind the scenes. "We are ready to accept the DPJ's proposal of establishing the antipiracy headquarters," one of the ruling coalition said.

Meanwhile, the DPJ has also concurred on the necessity of antipiracy measures. However, the DPJ is exploring revisions to the bill in a way that involves the Social Democratic Party and other opposition parties remaining cautious about dispatching the SDF. There is no knowing if the ruling and opposition parties will agree.

9) Lower House approves Guam relocation of U.S. Marines

MAINICHI (Page 1) (Full)

April 15, 2009

The House of Representatives approved in a plenary session yesterday an agreement for facilitating the relocation of U.S. Marines from Okinawa to Guam by a majority of lawmakers from the ruling Liberal Democratic Party (LDP) and its coalition partner New Komeito. The accord was then sent to the House of Councillors. The main opposition Democratic Party of Japan (DPJ), the Japanese Communist Party, the Social Democratic Party, and the People's New Party voted against it. The opposition-controlled Upper House will start deliberations on it today. The Upper House is expected to reject the pact. However, the pact, which is treated as a treaty, will eventually be passed within 30 days of its passage through the Lower House because a constitutional provision gives a decision by the Lower House precedence over the Upper House.

The accords agreed in 2006 by the governments of Japan and the United States stipulates that some 8,000 marines and their dependents will move to Guam by 2014 based on a so-called road map for the realignment of U.S. forces in Japan; and that Japan will bear up to 2.8 billion dollars (approximately 280 billion yen) of a total cost of 10.27 billion dollars (approximately 1.270 trillion yen). The accord also stipulates that the relocation of U.S. Marines to Guam depends on progress on the relocation of U.S. Marines' Futenma Air Station (in Ginowan City, Okinawa) to someplace in Okinawa, as well as on Japan's financial contribution.

Foreign Minister Hirofumi Nakasone stressed again the necessity of (passing) the accord in a press conference yesterday. He stated: "It is part of the realignment of the U.S. forces in Japan. Okinawan residents have long waited for this."

10) DPJ against relocation of Futenma Air Station to Henoko: Policy after power transfer has yet to be decided

MAINICHI (Page 3) (Full)
April 15, 2009

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Following the outlook that the agreement to transfer Marines stationed in Okinawa to Guam will now secure Diet approval, Democratic Party of Japan (DPJ) President Ichiro Ozawa during a press conference on April 14 indicated his stance of opposing the relocation of U.S. Marine Corps' Futenma Air Station to the offing of Henoko, Nago City. He revealed his intention to confer with the U.S. on a revision of the agreement, which is premised on the relocation of Futenma facilities to Henoko, after the DPJ takes over the reins of government. However, the DPJ has yet to hold working-level talks to work out details of the matter. The reality is the party has to decide everything about the relocation issue after coming into power, as a senior official of the Policy Research Council put it.

Ozawa during the press conference agreed on the transfer of Marines to Guam, saying, "It is not necessary to deploy major military capabilities to the frontline." However, concerning the relocation of Futenma functions to Henoko, he pointed out: "There is a beautiful coral sea and the northern-most habitat of dugongs near Henoko. To me, it is questionable to build an air station at such a place at any cost." He continues: "If such facilities are absolutely necessary, there are many alternative places. Japan should hold talks with the U.S. government properly."

Working-level officials responsible for foreign affairs and security policies in the DPJ have yet to solidify their stance on the issue. Referring to the relocation of Futenma Air Station, a certain senior member of the foreign affairs and defense division council pointed out, "The DPJ in its Okinawa Vision noted that it is searching for a site outside the prefecture and wants a site chosen to be chosen outside the country. It is necessary to sign a new agreement." Another senior member said: "Talks should be held as a set with those to revise the Japan-U.S. Status-of-Forces Agreement. At present, we have yet to decide how to negotiate with the U.S."

11) Donors to announce 400 billion yen in total assistance to Pakistan at conference

MAINICHI (Page 2) (Full)
April 15, 2009

The government yesterday confirmed that countries participating in the Pakistan donors' conference, which Japan and the World Bank will jointly host, will announce financial assistance totaling roughly 4 billion dollars or about 400 billion yen over two years. The Government of Japan intends to extend up to 1 billion dollars. However, with coordination of views with the Pakistani government on the specific use of loans meeting complications, the financial assistance will likely be announced but without a specific plan regarding its usage. Representatives of about 30 countries, including Pakistani President Zardari, and international bodies are expected to take part in the meeting.

As a result of coordination among donor nations, the U.S. will extend approximately 1 billion dollars like Japan. The European Union (EU) as a whole will also provide about 1 billion dollars, with the largest portion of approximately 500 million dollars coming from Britain. The World Bank and other countries will contribute altogether approximately 1 billion dollars, making the total of pledges 4 billion dollars.

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Japan's assistance of 1 billion dollars will likely be focused on helping Pakistan reform its economy. It will be used for the purpose of Pakistan being able to reduce its fiscal deficit without expanding income disparities. It will also be extended as assistance to impoverished people in the region bordering Afghanistan, which is said to be a hot bed of terrorism.

As a condition for financial assistance, Japan has requested that the Pakistani government steadily implement the International Monetary Fund's program. Most of Japan's financial cooperation will come as loan aid. Prime Minister Taro Aso will announce Japan's plan at a bilateral summit to be held on the 16th. Pakistan has asked Japan to take part in the Benazir Income Support Program designed to directly distribute income to the impoverished. However, differences in the stances of both countries have been brought out into the open with Japan showing reluctance to such a proposal, citing that its effect would be limited. A plan surfacing in the government is pooling assistance money as a Pakistan assistance fund and extending financial cooperation in a flexible manner, while nailing down the needs of that nation and progress in assistance by other countries.

12) Nagatacho field note: Destination only one place -- America

YOMIURI (Page 4) (Full)
April 15, 2000

Former Prime Minister Shinzo Abe, a member of the ruling Liberal Democratic Party (LDP), and Seiji Maehara, former president of the main opposition Democratic Party of Japan (DPJ), yesterday left for the United States aboard the same airplane. The two will attend the third round of the Japan-U.S. Sea Power Dialogue, a symposium to find ways for bilateral cooperation on marine resources development and other related issues.

Abe and Maehara share a lot in common regarding security policy. Their offices are next to each other in the Diet Members' Building. All the more because Maehara's "closeness" to the LDP is often talked about, many in political circles take the view that actions on their part might lead to political realignment.

However, Maehara is desperately trying to put a cap on such a rumor. He told reporters on April 11 in Kobe City: "Mr. Abe and I were included among those invited. We will probably not be in touch with each other during the conference." Yesterday, he went on board earlier than Abe, who was the last person to board the plane.

With the House of Representatives election drawing closer, what kind of an impact will the former leaders of the largest ruling and opposition parties have on the political world in the future?

13) Consumer Affairs Agency to be launched in the fall

TOKYO SHIMBUN (Top Play) (Excerpts)
April 15, 2009

The Liberal Democratic Party (LDP), the Democratic Party of Japan (DPJ), the New Komeito, the Japanese Communist Party, the Social Democratic Party, and the People's New Party agreed yesterday to jointly mark up three government-drafted bills related to the establishment of a Consumer Affairs Agency, in a meeting of the House of Representatives Special Committee on Consumer Affairs. The outlook is that revised bills will be approved in the committee

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tomorrow and will clear the Lower House on April 17. The three bills are now certain to clear the Diet before the end of the current session. The Consumer Affairs Agency, which is in charge of all consumer issues, will be launched as early as this fall.

The six parties also agreed to set up in the Cabinet Office a Consumer Policy Committee, which will be made up of experts to keep watch on consumer administration, as well as to change the name of the committee to "Consumer Committee." They also decided to give the committee the right to advise and make recommendations to the prime minister, as well as the right to request documents from the ministries and agencies. The DPJ withdrew its demand that the committee be given the right to investigate business operators.

The six parties also decided to incorporate additional items: 1) To consider the establishment of a relief system in three years for victims of asset losses; 2) to pay part of the labor costs of counseling staff for consumers' affairs from the national treasury; and 3) reviewing the 29 laws under the agency's jurisdiction in three years.

14) Foreign financial companies cut 3,000 positions over six months since Lehman Brothers shock

MAINICHI (Page 3) (Full)
April 15, 2009

A survey conducted by Executive Search Partners, a human resources consulting firm based in Chiyoda Ward, Tokyo, has found that approximately 3,000 personnel working for foreign financial institutions operating in Japan were forced out of their jobs over about six months from the Lehman shock in September 2008 through the end of March this year. According to Executive Search Partners, a total of 27,800 are being employed by foreign financial institutions operating in Japan. That is to say, they reduced their payrolls by 10%.

Job cuts by foreign financial institutions had been seen only in the securities section of financial institutions by around the summer of 2008. However, the move has spread to all sections, including the asset management section, after the Lehman shock. The size of cutbacks over three months and a half from mid-September through the end of 2008 reached approximately 2,000. Foreign financial institutions continued to slash workforces anticipating that the Japanese market will remain sluggish over a long period of time. Additional 1,000 or so jobs were slashed by the end of March.

ZUMWALT